



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

July 8, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIFTEEN-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5757 WILSHIRE BOULEVARD, LOS ANGELES
(THIRD DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a fifteen-year lease for 35,548 rentable square feet of office space for the Department of Children and Family Services (DCFS).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles (County) to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office (CEO) to complete and file a Certificate of Fee Exemption for the project
2. Approve and instruct the Chair to sign a fifteen-year lease with 5757 Wilshire LLC, a Delaware Limited Liability Company, (Landlord) for DCFS to occupy 35,548 rentable square feet of office space at 5757 Wilshire Boulevard, Los Angeles, at a maximum initial annual rental cost of \$3,341,512. The rental cost will be approximately 37 percent State and Federal subvented, and the remaining 63 percent will be net County cost (NCC).

"To Enrich Lives Through Effective And Caring Service"

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3. Authorize a lump sum maximum payment of \$1,955,140 for additional Tenant Improvements (TIs) upon acceptance of the Premises by the County. A portion of the additional TI for the purchase of furniture may be acquired by third-party financing at a maximum amount of \$955,140 amortized at 6.5 percent interest over a 60-month period, or \$224,271 annually.
4. Authorize the Landlord and/or Director of Internal Services Department (ISD), at the discretion of the CEO to acquire telephone systems for DCFS at a cost not to exceed \$1,000,000. At the discretion of the CEO, all or part of the telephone, data, and low voltage systems may be paid in lump sum or financed over a 60-month term not to exceed \$243,317 per year, in addition to other TI allowances.
5. Approve the project and authorize the CEO, DCFS and ISD to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the TIs by the Landlord and acceptance thereof by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to relocate the West Los Angeles Area (WLA) DCFS regional office from 11390 West Olympic Boulevard to the proposed facility located at 5757 Wilshire Boulevard, Los Angeles.

DCFS currently occupies 24,364 rentable square feet in a co-housed facility of approximately 68,200 rentable square feet of office space with the Department of Public Social Services (DPSS) (29,823 rentable square feet) and the Department of Mental Health (DMH) (14,013 rentable square feet) located at 11390 West Olympic Boulevard, Los Angeles. The current lease will terminate September 30, 2008, and the Landlord has notified the County of its intent to begin demolition of certain portions of the property as they work to re-build and re-position the property for the WLA market. Both DPSS and DMH are being relocated to other facilities. DPSS will be relocating to its Rancho Park office in late August 2008 and a recommendation for DMH leased space in Culver City will be submitted to your Board in late July 2008.

The proposed 35,548 rentable square feet of office space is located on the second floor of this multi-tenant building and will provide sufficient space and parking to house approximately 164 staff. The WLA regional office is comprised of the Adoption Unit, Revenue Management Unit, and other programs designed to enhance service to children and families including Family Group, Team Decision Making, and Mental Health Children's Services for foster care children.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide organizational effectiveness and ensure that the service delivery systems are efficient and goal oriented (Goal 3) and that we strengthen the County's fiscal capacity (Goal 4). In this case, the new lease supports these goals with a strategically located office with appropriate workspace for staff. Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum initial annual rental cost will be \$3,341,512 if all of the reimbursable TI funds are used.

The County is currently under a Title IV-E Waiver Capped Allocation Demonstration Project (CADP) designed to allow flexible use of available Federal IV-E funding to improve permanency outcomes for children. Under the CADP implemented by the County on July 1, 2007, DCFS no longer draws revenue at the previous sharing ratios for Title IV-E eligible activities. The capped allocation that was developed consists of 36.3 percent Federal funds, 32.5 percent State funds, and 31.2 percent County funds. Any expenditure within the capped allocation draws down revenue in those ratios. Any expenditure in excess of the capped allocation would become 100 percent NCC. Any additional operating costs for non-waiver programs require 92.3 percent NCC funding due to the fact that DCFS has maximized its use of available Federal/State allocations for those costs.

Based on the foregoing, it is anticipated that State and Federal subvention will be used to fund 37 percent of the rental costs, and the remaining 63 percent will be NCC.

5757 Wilshire Boulevard, Los Angeles	Proposed Lease
Term	Fifteen Years
Total Area	35,548 rentable / 29,923 useable square feet (sq. ft.)
Annual Base Rent	\$1,386,372 (\$39.00 per sq. ft. rentable)
Base TI Allowance	\$1,196,920 (\$40.00 per sq. ft. useable)
Additional TI Allowance	\$1,955,140 (\$65.34 per sq. ft. useable)
Maximum Annual Rent*	\$3,341,512
Cancellation	One time right after 10 th year with nine months prior written notice
Parking (included in Rent)	142 spaces
Option to Renew	None
Annual Rental Adjustment	4 percent annual fixed increase

* \$3,341,512 represents the maximum initial annual cost which includes an annual base rent of \$1,386,372, reimbursable additional TI funds of \$1,955,140, which will be lump sum paid upon acceptance of the premises. A portion of the additional TI allowance of approximately \$955,140 will be used to purchase furniture. This amount may be amortized by third-party financing over 60 months at the proposed rate of 6.5 percent, the annual furniture reimbursement amount would be \$224,261 thus reducing the first year maximum rent by \$721,488.

Sufficient funding for the proposed lease costs is included in the 2008-09 Rent Expense budget and will be billed back to DCFS. DCFS has allocated sufficient funds in its 2008-09 operating budget to cover the projected lease costs.

Based upon a survey of similar office buildings within the service area on the west side of Los Angeles area, staff has determined that the rental range for a full service gross lease including parking is between \$39.00 and \$48.00 per square foot per year. Thus, the proposed base annual rental rate of \$39.00 per square foot is within market for the area.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed fifteen-year lease agreement comprises 35,548 rentable square feet of office space, along with 142 parking spaces. The proposed lease contains the following provisions:

- The term commences upon completion of the TIs by the Landlord, and acceptance thereof by the County. The term expires fifteen years thereafter.
- A base TI allowance of \$1,196,920 is included in the rent.
- A reimbursable TI allowance totaling \$1,955,140 is included in the proposed lease and it is payable after substantial completion via lump sum payment.
- A portion of the TI allowance used for furniture totaling approximately \$955,140 may be financed and amortized by third-party financing at a maximum of 6.5 percent over a 60-month term.
- There is a cancellation provision allowing the County to cancel one time after the tenth year upon nine months advance notice to the Landlord.
- The rent includes on-site parking for 142 vehicles.
- This is a full service gross lease whereby the Landlord is responsible for all operating expenses associated with DCFS's occupancy.
- The Base Rent is subject to annual fixed increases of 4 percent throughout the term.
- Notice has been sent to the City of Los Angeles pursuant to Government Code Sections 65402 and 25351.

CEO Real Estate staff surveyed the west side of the Los Angeles based on the caseload distribution and population served to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search areas for these programs. There are no County-owned or leased facilities available for this program.

The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on May 28, 2008. After careful review, the Commission approved the proposed lease. The subject building was constructed in 1950 and the Department of Public Works has inspected this facility and concurs that it meets current standards for the County's occupancy.

It is not feasible to construct a child care center in the proposed leased premises. However, there are several private child care centers available within a one-mile radius of the subject location.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space for this County requirement. DCFS concurs with the proposed lease.

The Honorable Board of Supervisors
July 8, 2008
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:TS:hd

Attachments (2)

c: County Counsel
Department of Children and Family Services
Internal Services Department

Attachment A

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SERVICE AREA WITHIN FIVE MILES OF
5757 WILSHIRE BOULEVARD, LOS ANGELES
Asset Management Principles Compliance Form¹**

1.	Occupancy	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sf of space per person? ² The space available was not divisible and therefore the Lease represents 217 sf per person.		X	
2.	Capital			
A	Is it a substantial net County cost (NCC) program? 63 percent NCC		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or operating lease with option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned ?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? A build-to-suit is not considered at this time because of the time constraints to relocate from the Olympic Boulevard Building when the lease terminates because Landlord does not want to renew the lease.		X	
3.	Portfolio Management			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal, was co-location with other County departments considered ?			X
D	Why was this program not co-located?			
	1. The program clientele requires a "stand alone" facility.			
	2. X No suitable County occupied properties in project area.			
	3. X No County-owned facilities available for the project.			
	4. Could not get City clearance or approval.			
	5. The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?	Please bold any written responses		

Attachment B

**CHILDREN AND FAMILY SERVICES DEPARTMENT
SPACE SEARCH WITHIN CLIENT SERVICE AREA
5757 WILSHIRE BOULEVARD, LOS ANGELES**

SPACE SEARCH 5 MILE RADIUS OF 11390 WEST OLYMPIC BOULEVARD, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
4271	WEST LOS ANGELES COURTHOUSE	1633 PURDUE AVE, WEST LOS ANGELES 90025	43404	17045	OWNED	NONE
E420	DC&FSDPSS/DMH-WEST LOS ANGELES DIST OFFICES	11390 W OLYMPIC BLVD, WEST LOS ANGELES 90064	68200	44482	LEASED	NONE
A528	DPSS-NEW RANCHO PARK DISTRICT OFFICE	11110 W PICO BLVD, LOS ANGELES 90064	69450	59033	LEASED	NONE
S421	BEVERLY HILLS COURTHOUSE	9355 BURTON WAY, BEVERLY HILLS 90210	80566	40892	FINANCED	NONE
S570	DHS-VYONNE BRATHWAITE BURKE HEALTH CENTER/PPP	2509 W PICO BLVD, SANTA MONICA 90404	36557	26581	OWNED	NONE
3776	CULVER CITY COURTHOUSE	4130 OVERLAND AVE, CULVER CITY 90230	21568	11543	OWNED	NONE
5708	PUBLIC LIBRARY-JULIAN DIXON LIBRARY	4975 OVERLAND AVE, CULVER CITY 90230	21406	17364	OWNED	NONE

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

DEPARTMENT: CHILDREN and FAMILY SERVICES, as Tenant
LANDLORD: 5757 WILSHIRE LLC, a Delaware limited liability Company

5757 Wilshire Boulevard, Los Angeles

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the ___ day of April, 2008, between 5757 WILSHIRE LLC, a Delaware Limited Liability Company, ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

- (a) Landlord's Address for Notice: 5757 Wilshire Boulevard, Suite 380
Los Angeles, CA 90036
Attention: Property Manager
Fax Number (323) 857-0316
- (b) Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
- With a copy to:
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971
- (c) Premises: Approximately 35,548 rentable (29,923 usable) square feet on the second floor of the Building (defined below) as shown on Exhibit A attached hereto.
- (d) Building: The building located at 5757 Wilshire Boulevard, Los Angeles, CA 90036 which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");
- (e) Term: Fifteen (15) years commencing on Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the sixteenth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination

	by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.	1 2 3 4 5 6 7
(f) <u>Projected Commencement Date:</u>	90 days after the mutual execution of this Lease and the latest to occur of (a) satisfaction of all contingencies to the effectiveness of this Lease, (b) issuance of a building permit by the City of Los Angeles, or (c) Tenant's approval of the "Final Construction Budget" (as defined in Section 6.1 of the Landlord's Work Letter).	8 9 10 11 12 13 14 15
(g) <u>Commencement Date:</u>	As defined in subsection "e" above.	16 17
(h) <u>Irrevocable Offer Expiration Date:</u>	June 30, 2008	18 19 20
(i) <u>Basic Rent:</u>	\$115,531.00 per month (which is based upon a rental rate of \$ 3.25 per rentable square foot (adjustable only as provided in Section 5(a) hereof.)	21 22 23 24
(j) <u>Early Termination Notice Date:</u>	A one time right at the tenth anniversary of the Commencement Date upon 270 days prior written notice	25 26 27 28
(k) <u>Rentable Square Feet in the Premises/Usable Square Feet in the Premises:</u>	35,548/29,923	29 30 31 32 33 34
(l) <u>Use:</u>	General office use or for any other lawful purposes compatible with a first class, multi-tenant office building and with other uses in the Building.	35 36 37 38
(m) <u>Initial Departmental Use:</u>	Children and Family Services	39 40 41
(n) <u>Parking Spaces:</u>	142 unreserved parking spaces (71 spaces inside the structure and 71 spaces on the roof of the parking structure)	42 43 44 45
(o) <u>Normal Working Hours:</u>	7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.	46 47 48 49 50 51 52 53
(p) <u>Phase I Report:</u>	A Phase I Environmental Assessment dated September 10, 2002 prepare by ATC Associates.	54 55 56

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(Executed concurrently with this Lease		Addendum A: Base Building Improvements	52
and made a part hereof by this reference):		Addendum B: Space Plan	53
		Addendum C: Form of Budget	54
		Addendum D: Costs of Tenant Improvements	55
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1.5 Supplemental Lease Documents: (Delivered to Landlord and made a part hereof by this reference):

Document I: Subordination, Non-disturbance and
Attornment Agreement
Document II: Tenant Estoppel Certificate
Document III: Community Business Enterprises
Form
Document IV: Memorandum of Lease
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Landlord and Tenant hereby stipulate that the Premises contains the number of square feet specified in Section 1.1(k) above and shall not be subject to remeasurement by either party.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin on Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes to the extent necessary for Tenant to legally occupy the Premises, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent; and (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

(b) Termination Right. If the Commencement Date has not occurred within 120 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further

obligations to one another hereunder, provided that if within five days following Landlord's receipt of Tenant's termination letter, Landlord notifies Tenant that Landlord shall cause the Commencement Date to occur within thirty days, then Tenant's termination letter shall not be effective and this Lease shall continue in full force and effect.

(c) Early Possession. Tenant shall be entitled to access to the Premises in order to perform "low voltage" work (i.e., installation of telecommunications and data cabling and conduit) and not less than 7 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord shall coordinate such access with the general contractor performing the Tenant Improvements and Tenant shall comply with Landlord's reasonable access and scheduling requirements in connection therewith. Tenant shall not unreasonably interfere with Landlord's construction of the Tenant Improvements pursuant to the Landlord's Work Letter attached hereto, and any such interference shall be considered a Tenant Delay thereunder. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the one-time right to terminate this Lease at the tenth anniversary of the Commencement Date upon 270 days prior written notice to Landlord executed by the Chief Executive Officer of Tenant.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof on a monthly basis on the first day of each month during the Term, provided Landlord files a payment voucher therefore prior to the Commencement Date and thereafter annually during the month of June with the Auditor of the County of Los Angeles (the "County"). The term "Rent" shall mean the Basic Rent, Additional Rent, and all other charges and fees payable by Tenant under this Lease. Rent for any partial month shall be prorated in proportion to the number of days in such month.

a. Annual Adjustment. For each successive twelve (12) months of the Term of this Lease following the Commencement Date ("Lease Year"), the Basic Rent shall be subject to adjustment. On the first anniversary date of the first full calendar month following the Commencement Date, and every twelve (12) months thereafter, the Basic Rent shall be adjusted by an annual increase of four percent (4%) percent of the Basic Rent immediately prior to the adjustment.

b. Real Estate Taxes. Tenant shall be required to pay for the remainder of the Term all real estate taxes assessed against the real property described on Exhibit B and the improvements thereon (including the Building) in excess of \$1.70 per rentable square foot of the Premises that are attributable to a reassessed valuation of the Building due to a sale, refinance or change of ownership of the Building. Tenant shall pay such amount to Landlord on a monthly basis one-twelfth of the annual amount concurrently with Tenant's payment of Basic Rent. For example purposes only, if as a result of a sale of the Building the real property taxes are reassessed to \$2.20 per rentable square foot of the Premises, then following the date of the sale and for each year remaining during the Term, Tenant shall pay on a monthly basis an amount equal to $35,548 \times (\$2.20 - \$1.70) \div 12$.

c. Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes assessed against or levied upon the furniture, trade fixtures, furnishings, equipment and all other personal property of Tenant located in the Premises.

d. Late Charge. If Tenant does not pay Basic Rent within fifteen (15) days after the same is due, Tenant shall pay a late charge equal to six percent (6%) of the amount overdue, which late charge Tenant hereby agrees is a reasonable estimate of the damages Landlord shall suffer as a result of Tenant's late payment.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use. Landlord shall have the right to withhold its consent to any use (including any other County of Los Angeles user group) that is not compatible with the use conducted by the Department of Children and Family Services in terms of use of Common Areas, use of utilities, amount of visitor traffic, level of security risk to the security of the Building and its occupants, and the professional nature of user (e.g., Landlord shall have the right to reject uses involving medical services, homeless services, welfare services, or criminal rehabilitation or detention services).

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 60 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same condition and character that existed immediately prior to such casualty in less than 180 days and Landlord receives insurance proceeds sufficient to repair such damage, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If either (i) more than 180 days is necessary to complete such repairs or (ii) insurance proceeds received by Landlord are not sufficient to repair such damage, then Landlord shall have the right to terminate this Lease upon delivery of written notice to Tenant. In addition, Tenant shall have the right to terminate this Lease as provided in Section 9(b) below. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant and not actually used by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and

the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises unless this Lease is terminated in accordance with the terms of subsection "a" above.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion (other than due to "Force Majeure Delays" or "Tenant Delays," as those terms are defined in Section 13 of Landlord's Work Letter attached hereto), Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances in effect and applicable thereto, including use the Americans With Disabilities Act to the extent necessary for Tenant to legally occupy the Premises and for Tenant and its invitees to have legal access to the Premises; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all applicable covenants, conditions, restrictions and underwriter's requirements; (iii) to the actual knowledge of Landlord, the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined); and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Tenant shall notify Landlord of a breach of the representation in subsections "i" or "ii" of the prior sentence within 180 days following the Commencement Date, and Landlord shall perform the work required to cause such representation to be true as the sole remedy for such breach. If Tenant fails to notify Landlord within such 180 day period, then such representations shall be deemed to be accurate. Landlord represents, based upon a professional inspection of the Premises and the Building and the Phase I Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Phase I Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials in the Premises to the extent required by law and provide Tenant with an updated report from a licensed California contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and the Building riser system (subject to Tenant's responsibilities in subsection "c" below) (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the structural portions of the Premises, and shall keep

the structural portions of the Premises in good condition and repair, reasonable wear and tear excepted.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for maintaining the Premises in good repair and working order (other than reasonable wear and tear) and the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. Tenant shall also be responsible for maintaining Tenant's cabling and conduit from the Building minimum point of entry ("MPOE") to the Premises. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than ten days after the giving of such notice, and if such failure continues for an additional five business days following a second notice to Landlord, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to Tenant's property). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within thirty days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

(e) Landlord's Right to Repair. If Landlord provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems) to Tenant of an event or circumstance which requires the action of Tenant with respect to repair and/or maintenance, and Tenant fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than thirty days after the giving of such notice, and if such failure continues for an additional five business days following a second notice to Tenant, then Landlord may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to Landlord's property). Landlord shall have access to the Premises to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Tenant and was not taken by Tenant within such period (unless such notice was not required as provided above), and Landlord took such required action, then Landlord shall be entitled to prompt reimbursement by Tenant of Landlord's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours (excluding the holidays listed in Section 1.1(o) of this Lease) in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto. If Tenant requires HVAC during times other than Normal Working Hours, Tenant shall give Landlord such advance notice as Landlord shall reasonably require and shall pay Landlord's standard charge for such after-hours use. If Tenant uses the supplemental HVAC system currently existing in the Premises, or installs a separate supplemental or 24 hour HVAC system (eg. telecommunications room), Tenant shall pay Landlord for all electricity used by such HVAC system (pursuant to a separate meter which will be installed as part of the Tenant Improvement work pursuant to the Work Letter) and shall reimburse Landlord for the cost of repair and maintenance of such HVAC system(s). Landlord does not make any representation or warranty concerning the current condition or suitability for Tenant's use of the existing supplemental HVAC system.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Usable Square Feet in the Premises during Normal Working Hours, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. If Tenant uses electricity in excess of the amount supplied by Landlord pursuant to the prior sentence or during hours other than Normal Working Hours, Tenant shall pay Landlord the actual cost of such excess electricity.

(c) Elevators. Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles excluding holidays, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to force majeure and Tenant's compliance with such reasonable security measures as shall from time to time be in effect for the Building.

(g) General. If Tenant requests any other services from Landlord, Tenant shall pay Landlord's standard charges for such services. Landlord shall not be liable for, and there shall be no Rent abatement as a result of, any stoppage, reduction or interruption of any such utilities or services, unless such stoppage, reduction or interruption is the result of the negligence of Landlord or its agents, employees or contractors.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose, provision of janitorial services, and performing repairs and/or alterations required or permitted hereunder. If Landlord temporarily closes any portion of the Premises, Basic Rent shall be prorated based upon the percentage of the Premises rendered untenable and not used

by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law. If Landlord elects to terminate this Lease, Landlord shall be entitled to recover from Tenant the aggregate of all amounts permitted by law, including but not limited to (i) the worth at the time of award of the amount of any unpaid rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. The term "rent" as used in this Section 13(b) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in items (i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in item (e), below, but in no case greater than the maximum amount of such interest permitted by law. As used in item (iii), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

Landlord's re-entry to perform acts of maintenance or preservation of or in connection with efforts to relet the Premises or any portion thereof, or the appointment of a receiver upon Landlord's initiative to protect Landlord's interest under this Lease shall not terminate Tenant's right to possession of the Premises or any portion thereof and, until Landlord does elect to terminate this Lease, this Lease shall continue in full force and effect and Landlord may enforce all of Landlord's rights and remedies hereunder including, without limitation, the remedy

described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if Lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within thirty days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition which threatens life or where there is imminent danger to Tenant's property.

15. ASSIGNMENT AND SUBLETTING. Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises (in each case, a "Transfer") without first obtaining Landlord's prior consent, which shall not be unreasonably withheld; provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto. Any approved assignee or subtenant shall use the Premises only for the purposes permitted by this Lease.

It shall be a condition to Landlord's consent to any subleasing, assignment or other transfer of part or all of Tenant's interest in the Premises (hereinafter referred to as a "Transfer") that (i) upon Landlord's consent to any Transfer, Tenant shall pay and continue to pay fifty percent (50%) of any "Transfer Premium" (defined below), received by Tenant from the

proposed subtenant or assignee (collectively, "Transferee"). "Transfer Premium" shall mean all rent, additional rent or other consideration payable by a Transferee in connection with a Transfer in excess of the rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer and if such Transfer is less than all of the Premises, the Transfer Premium shall be calculated on a rentable square foot basis. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by a transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the Transferee and any payment in excess of fair market value for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the Transferee in connection with such Transfer.

Notwithstanding anything to the contrary contained in this Section 15, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after Landlord's receipt of a request for consent to a proposed Transfer, to terminate this Lease as to the portion of the Premises that is the subject of the Transfer. If this Lease is so terminated with respect to less than the entire Premises, the Basic Rent shall be prorated based on the number of rentable square feet retained by Tenant as compared to the total number of rentable square feet contained in the original Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon the request of either party, the parties shall execute written confirmation of the same.

In no event shall the consent by Landlord to an assignment or subletting be construed as relieving Tenant, any assignee, or sublessee from obtaining the express written consent of Landlord to any further assignment or subletting.

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations. All Alterations must be performed in compliance with applicable laws and building codes and pursuant to a valid building permit, if required. Tenant's construction plans and contractor shall be subject to the prior written approval of Landlord, which shall not be unreasonably withheld.

(b) End of Term. All Alterations shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. Landlord shall have the right, upon delivery of written notice delivered to Tenant concurrently with Landlord's approval of any Alterations, to require Tenant to remove any Alterations at the end of the Term.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises or Building, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor"

shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be paid to Landlord, provided that that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and trade fixtures belonging to Tenant and removable by Tenant at the expiration of the Term hereof as provided hereunder or for the interruption of, or damage to, Tenant's business. "Award" shall mean all compensation, sums or anything of value awarded, paid or received or for the value of Tenant's leasehold on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000 (provided that such total may be achieved through use of an umbrella policy); (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Tenant's Insurance. During the term of this Lease, Tenant shall maintain general liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000 (provided that such total may be achieved through use of an umbrella policy); (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(c) Insurance Requirements. All insurance policies required to be maintained by Landlord and Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry. Notwithstanding anything herein to the contrary, Tenant shall have the right, upon delivery of written notice to Landlord, to elect to self-insure against any of the risks covered by the insurance requirements set forth in this Lease.

(d) Certificates. Landlord and Tenant shall each deliver to the other party on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has

named the other as an additional insured (or its equivalent) on its general liability and property insurance policy. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to the other party in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(e) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of unreserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Tenant's parking spaces may be temporarily relocated during periods of renovation, construction of additional improvements, or repair of casualty by Landlord. Tenant shall have the right to rent additional parking spaces subject to availability at Landlord's posted parking rates. Tenant shall have the right to purchase visitor validations at Landlord's posted rates. Tenant acknowledges that other tenants of the Building have reserved parking rights.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason within Landlord's reasonable control, a material number of the Parking Spaces required above are not available to Tenant for five (5) consecutive days after Tenant delivers written notice thereof to Landlord, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may deduct from the Basic Rent thereafter accruing hereunder an amount each month equal to Landlord's posted parking rate times the number of Parking Spaces not so provided. The foregoing remedy shall not apply to temporary unavailability of Parking Spaces due to periodic cleaning, restriping, resurfacing or maintenance of the parking facility, required repairs, reconfiguration, renovations or painting, or temporary closures required by order of governmental authorities or to comply with applicable laws.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products,

asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials existing in the Premises or Building as of the Commencement Date or brought to the Building by Landlord or its agents, employees or contractors following the Commencement Date. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

(c) Tenant Indemnity. Tenant shall indemnify, protect, defend (by counsel acceptable to Landlord) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with Tenant's breach of the terms of subsection "a" above. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Tenant shall promptly deliver to Landlord a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Tenant under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees that this Lease shall automatically be subordinate to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith. Upon the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord, at no cost to Landlord, a release and termination of any Request for Notice or Memorandum of Lease recorded by Tenant.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in good condition and working order, reasonable wear and tear excepted. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture). Tenant shall remove at the expiration of the Term all Alterations designated in Section 16(b) above.

27. SIGNAGE. Tenant shall be permitted to install at Tenant's cost Building-standard entry signage at the Premises.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information. All references to

"days" in this Lease or any Exhibit to this Lease shall refer to calendar days, unless otherwise specified.

(k) Community Business Enterprises Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(l) Attorneys' Fees. In any arbitration proceeding to enforce the terms of this Lease, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees and costs in such arbitration and such attorneys' fees and costs shall be deemed to have accrued prior to the commencement of such arbitration and shall be paid whether or not such arbitration is prosecuted to judgment.

(m) No Consequential Damages. Notwithstanding anything to the contrary in the Lease, neither Tenant nor Landlord shall be liable under any circumstances for injury or damage to, or interference with, the other party's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

(n) Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet

Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing. Notwithstanding anything to the contrary herein, the restrictions on financing set forth in this Section 31(c) shall not apply to Landlord's (or its affiliate's) financing of a new office building developed adjacent to the Building (the "New Building") should Landlord elect to develop such building (in its sole discretion). Landlord shall have the right to encumber the Property or otherwise finance the construction of the New Building in any manner desired by Landlord.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated

damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Except as required by law, neither party shall furnish any information concerning the other or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions) to any person or entity, except for the partners, lenders, potential purchasers or lenders, accountants, attorneys, brokers and advisors of the furnishing party, without the prior written consent of the other party. Each party shall indemnify, defend and hold the other and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished in violation of this Section.

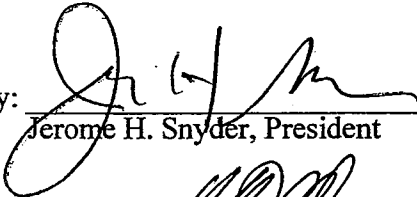
(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

5757 WILSHIRE LLC,
a Delaware Limited Liability Company

By: 
Jerome H. Snyder, President

By: 
W. K. Glikbarg, Vice President

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____

By: _____

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By: 
Deputy: Amy M. Caves

EXHIBIT A
FLOOR PLAN OF PREMISES

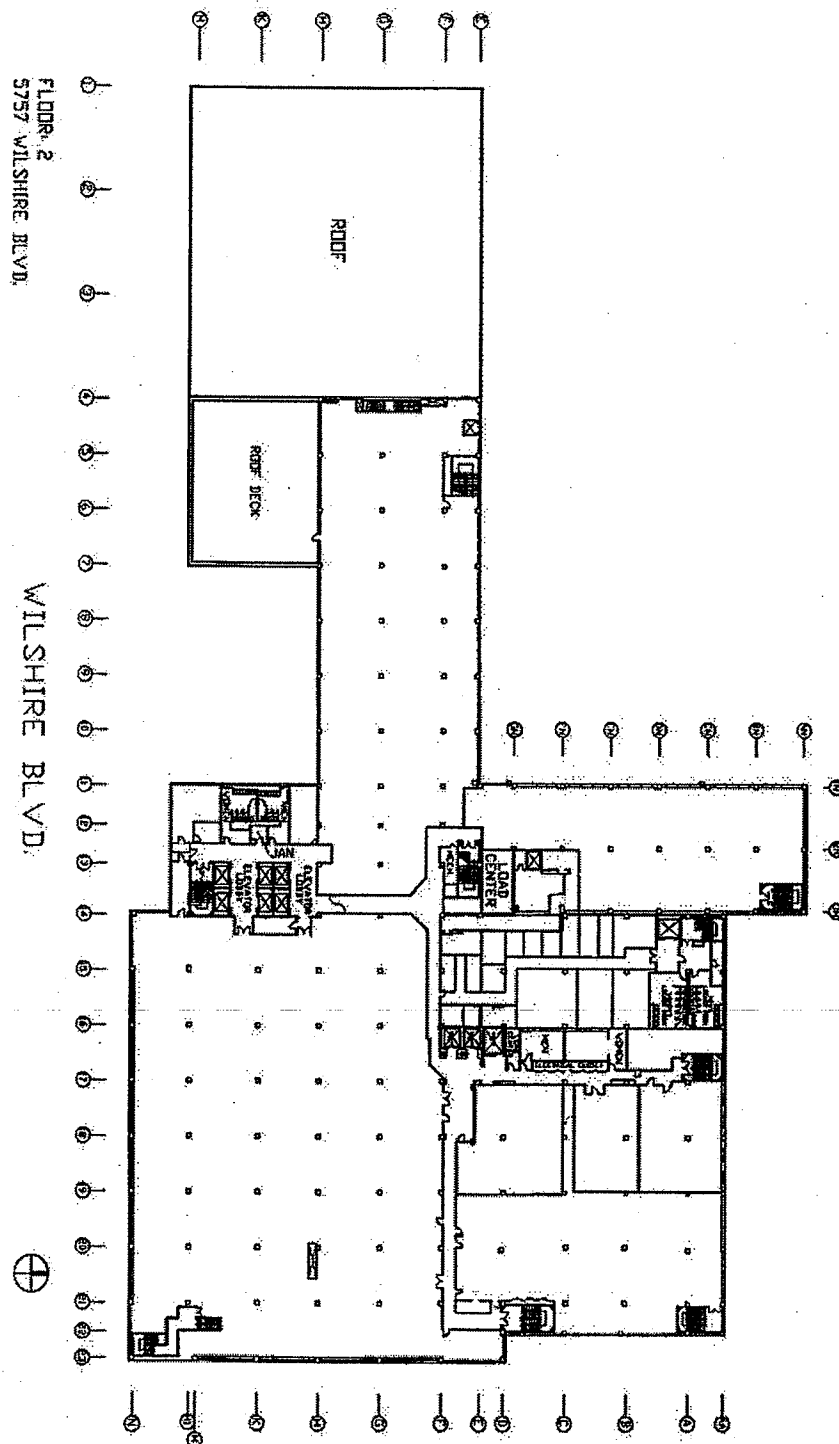


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

PARCEL C, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

AN EASEMENT FOR PRIVATE STORM DRAIN PURPOSES OVER THAT PORTION OF PARCEL A, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING WESTERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT EASTERLY 5.00 FEET, MEASURED AT RIGHT ANGLES, FROM THAT CERTAIN WESTERLY LINE AND ITS PROLONGATION OF SAID PARCEL A, SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF NORTH 00° 00' 16" EAST 218.52 FEET.

PARCEL 3:

AN EASEMENT FOR PRIVATE STORM DRAIN PURPOSES OVER THAT PORTION OF PARCEL A, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING NORTHWESTERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHEASTERLY 5.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE FOLLOWING DESCRIBED LINE AND ITS PROLONGATIONS, BEGINNING AT THE SOUTHERLY TERMINUS OF THE CURVED NORTHWESTERLY LINE OF SAID PARCEL A, SHOWN ON SAID MAP AS BEING A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 20.00 FEET A RADIAL LINE OF SAID CURVE TO SAID SOUTHERLY TERMINUS BEARS NORTH 89° 59' 42" WEST, THENCE NORTH 24° 26' 02" EAST TO A POINT IN SAID CURVE.

PARCEL 3A:

AN EASEMENT FOR UNDERGROUND FOUNDATION ENCROACHMENT PURPOSES OVER THE SOUTHERLY 5.00 FEET, MEASURED AT RIGHT ANGLES, OF PARCEL A, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

AN EASEMENT FOR VERTICAL AND HORIZONTAL CONCRETE COLUMNS AND CONCRETE SHEAR WALLS OVER THAT PORTION OF PARCEL A, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO.

5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE AND ITS PROLONGATIONS. BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID PARCEL A THAT IS DISTANT NORTHERLY THEREON 0.97 OF A FOOT FROM THE SOUTHWEST CORNER OF SAID PARCEL A; THENCE EASTERLY IN A DIRECT LINE TO A POINT IN THE EASTERLY LINE OF SAID PARCEL A THAT IS DISTANT NORTHERLY THEREON 0.94 OF A FOOT FROM THE SOUTHEAST CORNER OF SAID PARCEL A.

PARCEL 5:

AN EASEMENT FOR UNDERGROUND FOUNDATIONS ENCROACHMENT PURPOSES OVER THE SOUTHERLY 5.00 FEET, MEASURED AT RIGHT ANGLES OF PARCEL B, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 6:

AN EASEMENT FOR VERTICAL AND HORIZONTAL CONCRETE COLUMNS AND CONCRETE SHEAR WALLS OVER THAT PORTION OF PARCEL B, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP L.A. NO. 5608, FILED IN BOOK 178 PAGES 53 AND 54 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE AND ITS PROLONGATIONS. BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID PARCEL B THAT IS DISTANT NORTHERLY THEREON 0.97 OF A FOOT FROM THE SOUTHWEST CORNER OF SAID PARCEL B; THENCE EASTERLY IN A DIRECT LINE TO A POINT IN THE EASTERLY LINE OF SAID PARCEL A THAT IS DISTANT NORTHERLY THEREON 0.91 OF A FOOT FROM THE SOUTHEAST CORNER OF SAID PARCEL B.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 200_, between
County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a
_____, ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from
Landlord certain premises in the building located at
_____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially
Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the
same;
- (3) The Lease commenced on _____ ("Commencement
Date");
- (4) The Premises contain _____ rentable square feet of space; and
- (5) Basic Rent Per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this ___ day of
_____, 200_.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	_____, a _____
By: _____ Name: _____ Its: _____	By: _____ Name: _____ Its: _____

EXHIBIT D
HVAC STANDARDS

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

CLEANING SPECIFICATIONS



NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Empty and wipe outside wastebaskets, replacing liners if necessary.

Dust with treated cloth the tops of all desks, credenzas, files, fixtures, windowsills, and all other horizontal surfaces (within reach). Papers on desktops will not be moved.

Wipe all telephones and receivers.

Remove fingerprints, smudges, etc. from doors, doorframes, partition glass, sidelights, walls and around light switches.

Vacuum all rugs and carpet unobstructed by furniture, replacing chairs to their original positions. Spot clean minor stains as necessary.

Dust mop wood, resilient and composition floor areas with treated dust mops. Spot mop as necessary.

Dust all marble floors with untreated dust mop.

Spot mop all spills on hard surface floors as necessary.

Turn off all lights except as otherwise directed.

Secure and lock all doors.

Report burned out lights, broken fixtures, etc.

Close drapes as directed.

MONTHLY SERVICES

Dust all doorjambs.

Dust all areas above and below the janitor's normal reach.

Detail vacuum edges of carpet and all other carpeted areas not reached by the normal vacuum on a daily basis.

Vacuum or dust all return air vents.

JH SNYDER

December 28, 2006

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CLEANING SPECIFICATIONS



LUNCH ROOM AND KITCHEN AREAS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash and place for disposal. Change all liners nightly.

Wipe tables, chairs and countertops.

Wash and polish kitchen sink.

Wipe coffee maker.

Wipe front of oven, refrigerator and dishwasher.

Sweep and spot mop floor.

MONTHLY SERVICES

Spot wash doors and walls.

Scrub and refinish all building standard resilient floors with a slip retardant floor finish.

Wipe all vinyl chairs, chair rungs and table pedestals.

JANITORIAL OFFICE, STORAGE ROOMS AND CLOSETS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash from all of the above listed areas.

Maintain an orderly arrangement of all janitorial supplies, paper products and janitorial equipment in the storage rooms and service closets.

Wash service sinks.

Sweep and damp mop floors if needed. Deodorize and disinfect as required.

Receive and store all janitorial supplies in an orderly manner.

No trash is to be stored overnight in janitorial closets.

JH SNYDER

December 28, 2006

ABM Janitorial Services - 25926

CLEANING SPECIFICATIONS



LUNCH ROOM AND KITCHEN AREAS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash and place for disposal. Change all liners nightly.

Wipe tables, chairs and countertops.

Wash and polish kitchen sink.

Wipe coffee maker.

Wipe front of oven, refrigerator and dishwasher.

Sweep and spot mop floor.

MONTHLY SERVICES

Spot wash doors and walls.

Scrub and refinish all building standard resilient floors with a slip retardant floor finish.

Wipe all vinyl chairs, chair rungs and table pedestals.

JANITORIAL OFFICE, STORAGE ROOMS AND CLOSETS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash from all of the above listed areas.

Maintain an orderly arrangement of all janitorial supplies, paper products and janitorial equipment in the storage rooms and service closets.

Wash service sinks.

Sweep and damp mop floors if needed. Deodorize and disinfect as required.

Receive and store all janitorial supplies in an orderly manner.

No trash is to be stored overnight in janitorial closets.

JH SNYDER

December 28, 2006

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CLEANING SPECIFICATIONS



LUNCH ROOM AND KITCHEN AREAS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash and place for disposal. Change all liners nightly.

Wipe tables, chairs and countertops.

Wash and polish kitchen sink.

Wipe coffee maker.

Wipe front of oven, refrigerator and dishwasher.

Sweep and spot mop floor.

MONTHLY SERVICES

Spot wash doors and walls.

Scrub and refinish all building standard resilient floors with a slip retardant floor finish.

Wipe all vinyl chairs, chair rungs and table pedestals.

JANITORIAL OFFICE, STORAGE ROOMS AND CLOSETS

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Remove trash from all of the above listed areas.

Maintain an orderly arrangement of all janitorial supplies, paper products and janitorial equipment in the storage rooms and service closets.

Wash service sinks.

Sweep and damp mop floors if needed. Deodorize and disinfect as required.

Receive and store all janitorial supplies in an orderly manner.

No trash is to be stored overnight in janitorial closets.

JH SNYDER

December 28, 2006

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CLEANING SPECIFICATIONS



LOADING DOCK, COMPACTOR AREA AND SERVICE ENTRANCE

NIGHTLY SERVICES (MONDAY THROUGH FRIDAY)

Place all miscellaneous trash and debris, except construction and hazardous waste, into the trash compactor or designated garbage bins.

Sweep entire area, hose if necessary. Disinfect and deodorize as required.

ELEVATOR CABS

NIGHTLY SERVICES

Dust all walls, doors and ceilings.

Vacuum carpets and spot stains.

Spot clean all elevator saddles.

Clean all metal work.

Report burned out lights.

MONTHLY SERVICES

Dust air duct grilles.

Wash all elevator door fronts.

Steel wool and vacuum all elevator saddles.

STAIRWAYS

DAILY (DAY PERSON)

Report burned out lights.

JH SNYDER

December 28, 2006

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CLEANING SPECIFICATIONS



Police all stairways.

MONTHLY SERVICES

Sweep all stairways.

Dust all stairway lights within reach.

Dust all doors.

Dust all handrails.

Spot wash walls.

QUARTERLY SERVICES

Damp mop all stairways.

DAY PORTER SERVICES

DAILY SERVICES (MONDAY THROUGH FRIDAY)

RESTROOMS

Fill all dispensers.

Spot clean as needed.

Empty trash container if needed.

LUNCH ROOM

Spot clean as needed.

Fill paper towel dispenser if needed.

Perform duties as directed by the Building Management Office.

JH SNYDER

December 28, 2006

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LANDLORD'S WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: CHILDREN and FAMILY SERVICES, as Tenant

LANDLORD: 5757 WILSHIRE LLC

5757 WILSHIRE BOULEVARD, LOS ANGELES

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated April __, 2008, executed concurrently herewith, by and between 5757 WILSHIRE LLC ("Landlord") as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

(a)	<u>Base Tenant Improvement Allowance:</u>	\$ 1,196,920 (i.e., \$40 per usable square foot of the Premises)
(b)	<u>Additional Tenant Improvement and Furniture Allowance:</u>	\$ 1,955,140, to be repaid by Tenant to Landlord no later than thirty days following Tenant's Acceptance of the Premises pursuant to the terms of Section 6.3 below.
(c)	<u>Maximum Change Order Allowance:</u>	Not Applicable
(d)	<u>Additional Tenant Improvement and Change Order Amortization Rate:</u>	Not Applicable
(e)	<u>Basic Rent Reduction per \$1,000:</u>	N/A
(f)	<u>Tenant's Work Letter Representative:</u>	Thomas Shepos or an assigned staff person of the Chief Executive Office-Real Estate Division
(g)	<u>Landlord's Work Letter Representative:</u>	John Cotter
(h)	<u>Landlord's Address for Work Letter Notice:</u>	5757 Wilshire Boulevard, Suite 380 Los Angeles, CA 90036 Attention: Property Manager Fax Number: (323) 857-0316
(i)	<u>Tenant's Address for Work Letter Notice:</u>	Board of Supervisors Kenneth Hahn Hall of Administration Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office-Real Estate Division 222 South Hill Street, 3 rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(j)	<u>Addenda:</u>	Addendum A: Base Building Improvements Addendum B: Tenant Improvements

2. Construction of the Building.

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that any Base Building Improvements do not exist or are defective as of the date hereof, Landlord shall install or repair such Base Building Improvements (as applicable) at Landlord's cost, not to be included in the calculation of Tenant Improvement Costs (as defined in Section 6.2 below).

2.2 Additional Costs Not Tenant Improvement Costs.

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes to the extent necessary for Tenant to legally occupy the Premises and for Tenant and its invitees to have legal access to the Premises, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes"; (ii) base building fire sprinkler system (provided that Tenant shall be responsible for redistribution of existing sprinkler lines and heads); (iii) conversion of base building air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; (iv) utility costs incurred during construction; (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease; or (vi) supervision or overhead costs exceeding 3% of the total project costs excluding furniture.

2.3 **Base Building Plans.** Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three business days after Landlord has submitted the name of the Architect and the Engineer to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans, as defined below, and a proposed construction contract (in the form of an AIA A-111 GMAX contract) reasonably approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three bids are received. Each approved contractor shall be requested to submit a sealed bid consistent with the construction contract (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for

inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Attached to this Work Letter as Addendum B are a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan"). The Space Plan is hereby approved by Landlord and Tenant.

5.2 **Preparation and Approval of Working Drawings.** Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the Space Plan and the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. The Working Drawings shall be subject to Tenant's written consent, which shall not be unreasonably withheld. If Tenant withholds its consent to the Working Drawings, Tenant shall provide written explanation to Landlord listing Tenant's reasonable reasons. Landlord shall cause the Architect to revise the Working Drawings and shall resubmit the same to Tenant, who shall have five days to approve the same. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes.

5.3 **Preparation and Approval of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review. The Engineering Drawings shall be subject to Tenant's written consent, which shall not be unreasonably withheld. If Tenant withholds its consent to the Engineering Drawings, Tenant shall provide written explanation to Landlord listing Tenant's reasonable reasons. Landlord shall cause the Engineer to revise the Engineering Drawings and shall resubmit the same to Tenant, who shall have five days to approve the same. In lieu of hiring an Engineer, Landlord shall have the right to cause applicable subcontractors to perform "design-build" services.

5.4 **Integration of Working Drawings and Engineering Drawings into Final Plans.** After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies (subject to plan check corrections) having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, partition plans, floor and wall finish plans, reflected ceiling plans, power, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, location of telephone and data outlets, sprinklers, doors, equipment specifications

(including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Upon Tenant's request, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs.

6.1 Construction Budget. Within three days after the date of execution of the Lease and the satisfaction of all contingencies to the effectiveness thereof, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. If Tenant disapproves the Construction Budget, Landlord and Tenant shall work in good faith to revise and finalize the Final Construction Budget within five days. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is ten percent (10%) or more higher in cost than was projected in the Preliminary Construction Budget (a "Unbudgeted Increase"), then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense.

6.2 Additional Tenant Improvement Allowance and Furniture Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Section 9 below (collectively, the "Tenant Improvements") shall be funded from the Base Tenant Improvement Allowance and the Additional Tenant Improvement and Furniture Allowance, with any overage to be funded as set forth below. Costs of Tenant Improvements shall include, without limitation, construction costs for furniture, soft costs, fees of the Architect and Engineer, demolition costs, permit costs, costs of preparation of the Final Plans, and any other design and construction costs relating to the Tenant Improvements designated in writing by Tenant (collectively "Tenant Improvement Costs"). It is anticipated that the Tenant Improvement Costs will exceed the Tenant Improvement Allowance, and Tenant's Chief Executive Office may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement and Furniture Allowance. The Additional Tenant Improvement and Furniture Allowance shall be paid to Landlord as provided herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance and Furniture Allowance used to pay for the Tenant Improvement Costs will be reimbursed to Landlord in a lump sum within 30 days after Tenant's Acceptance of the Premises (as defined in Section 4(a) of the Lease). At the request of Landlord, Tenant shall make such payment directly to the furniture supplier.

6.4 Supervision Fee. Tenant Improvement Costs shall include a supervision fee payable to Landlord in the amount of 3% of the total project costs excluding furniture.

6.5 Excess Costs. If the Final Construction Budget exceeds ("Excess Costs") the sum of Base Tenant Improvement Allowance and the Additional Tenant Improvement and Furniture Allowance; Tenant shall use its reasonable efforts to eliminate the Excess Costs by reducing the scope of the proposed work and "value engineering." Tenant shall notify Landlord (an "Excess Costs Notice") within thirty (30) days (the "Excess Costs Review Period") following Tenant's receipt of the Final Construction Budget that Tenant has (a) eliminated the Excess Costs (in which event Tenant shall provide to Landlord reasonably satisfactory written substantiation that the Excess costs have been eliminated, as confirmed by documentation from the Architect and Contractor); or (b) made arrangements, and received all necessary authorizations and approvals, to directly pay for the Excess Costs (in which event Tenant shall provide to Landlord reasonably satisfactory written substantiation of such arrangements, authorizations and approvals). If Tenant fails to timely deliver to Landlord an Excess Costs Notice together with any documentation to be provided therewith in accordance with the terms of this Section 6.5 prior to the end of the Excess Costs Review Period, Landlord may terminate this Lease by written notice delivered to Tenant.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on the Final Plans.

7.2 Bids. Landlord shall obtain three (3) bids consistent with the terms of the construction contract in writing from all major subcontractors and materials providers providing labor and/or materials for the Tenant Improvements. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. At least three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within 15 days after issuance of all such necessary permits and approval of the Final Construction Budget. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Tenant Delays or Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by the Architect in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to enforce all construction warranties against the Contractor for defective work performed by Contractor (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up as part of the construction contract.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site

7.4 Conformed Plans. The contract with the Architect shall require that within 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. Only the Chief Executive Officer or designee is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not cause the Tenant Improvement Costs to exceed the sum of the Base Tenant Improvement Allowance and the Additional Tenant Improvement and Furniture Allowance. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer or designee. Any Change Order that increases Tenant Improvement Costs shall be paid by Tenant to Landlord in addition to (and at the same time as) the payment to be made by Tenant to Landlord in accordance with the terms of Section 6.3 above. Any Change Order requested by Tenant that delays the Substantial Completion of the Tenant Improvements shall be a Tenant Delay.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Architect, shall prepare a modular furniture specifications bid package for submission to no less than three furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Landlord shall provide the modular furniture set forth in the Modular Specifications as part of Tenant Improvement Costs. Tenant shall reimburse the Landlord for the cost of the modular furniture in a lump sum or in accordance with a financed transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar (\$1) at the end of a term not to exceed 120 months.

9.2 In lieu of using the Additional Tenant Improvement and Furniture Allowance, Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing directly with a third-party vendor ("Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

(e) The costs of the Personal Property financed through a Creditor shall not be included in the Tenant Improvement Costs.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within thirty days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, which ever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of 6 months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction or increase in payments

to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and the parties shall make the appropriate payments within 30 days.

11. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, the base building fire sprinkler system, or conversion of base building air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, the base building fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least 30 days prior to the Projected Commencement Date.

13. **Delay.**

13.1. **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)"). The following shall be referred to as "Tenant Delays": (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, (ii) Tenant otherwise unreasonably interferes with the design or construction of the Tenant Improvements, (iii) Tenant requests change orders or changes in plans after approval, but only to the extent such delays delay the commencement or completion of construction of the Tenant design and/or construction of the Tenant Improvements; or (iv) the duration of the Excess Costs Review Period, unless due to an Unbudgeted Increase. If there is a Tenant Delay, then the Commencement Date shall be deemed to occur on the date the Commencement Date would have occurred in the absence of such Tenant Delay.

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within 48 hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

or Force Majeure Delay which is effective hereunder. For example, if there are ten days of Tenant Delays and four days of Force Majeure Delays which occur during the same ten day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

14. **Default**. Any default by Landlord or Tenant under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle the other party to exercise all remedies set forth in the Lease.

15. **Representatives**.

15.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

15.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. **Elevator Usage During Move-In**. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements, Landlord shall cause to be made operational (a) a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

17. **Construction Meetings**. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five days of the date the Contractor is selected.

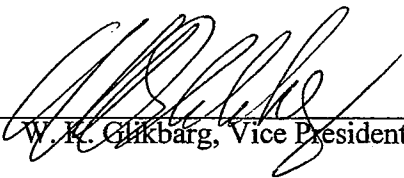
18. **Delivery**. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

LANDLORD:

5757 WILSHIRE LLC,
a Delaware Limited Liability Company

By: _____

Jerome H. Snyder, President

By: 
W. K. Glikbarg, Vice President

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name: William L. Dawson
Title: Acting Director of Real Estate
Date Signed: _____

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed (or will construct) the Building to include the following:

- (a) The Building shell and exterior, including perimeter window frames, mullions and glazing in its as-is condition;
- (b) The core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;
- (c) Men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) Walls and windows to be delivered as-is;
- (e) Public stairways;
- (f) Passenger and freight elevators;
- (g) Parking facilities;
- (h) Ground floor lobby;
- (i) Finished elevator lobbies (with carpet, lights, finished walls and ceiling);
- (j) Exterior plazas and landscaping;
- (k) Loading dock and/or area;
- (l) Drinking fountains at the core;
- (m) Electrical/telephone closet with not less than seven watts per square foot of usable area of normal power (lighting, convenience power and HVAC) in the floor electrical closet;
- (n) Conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter cable from the Building minimum point of entry to the telephone closets on second floor in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);
- (o) Two 208/120 and one 480/277 volt panels connected to the Building power system;
- (p) Mechanical equipment room with ducted mechanical exhaust system;
- (q) Concrete floors in their as-is condition and designed to support a minimum live load of 50 pounds per square foot and a partition load of 20 pounds per square foot;
- (r) Primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

- (s) Hot and cold air loops located within the Premises;
- (t) Primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;
- (u) Primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution; and
- (v) Access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building.

ADDENDUM B TO WORK LETTER

APPROVED SPACE PLAN

SUPPLEMENTAL LEASE DOCUMENTS

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: CHILDREN and FAMILY SERVICES, as Tenant

LANDLORD: 5757 WILSHIRE LLC, a Delaware Limited Liability Company

5757 WILSHIRE BOULEVARD, LOS ANGELES

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Intentionally Deleted

Document V - Intentionally Deleted

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DOCUMENT I

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE, AND ATTORNMEN AGREEMENT (the "**Agreement**") is made as of _____, 2008, between County of Los Angeles, a body politic and corporate, whose address is 500 West Temple Street, Los Angeles, California 90012, Attn: Board of Supervisors, Kenneth Hahn Hall of Administration, Room 383, ("**Tenant**"), 5757 Wilshire LLC, a Delaware limited liability company ("**Landlord**" or "**Borrower**"), and KeyBank Real Estate Capital as Master Servicer, in trust for [insert trustee] as Trustee in trust for Commercial Mortgage Pass Through Certificates, Series II, Loan #01-0018945, its Successor and/or Assigns (hereinafter "**Lender**").

Recitals of Fact

A. Tenant is the tenant under a lease dated April _____, 2008, by and between Tenant, as tenant, and Landlord, as landlord, more particularly described on **Exhibit "A"** attached hereto and made a part hereof (collectively the "**Lease**"), wherein Landlord leased to Tenant certain premises known as the "**Premises**" located on the property legally described on **Exhibit "B"** (the "**Property**").

B. Lender intends to make or is making a loan (the "**Loan**") to Borrower, which will be evidenced by a Promissory Note (the "**Note**") from Borrower to Lender and secured in part by a first deed of trust, mortgage, or deed to secure debt (which is herein called the "**Security Instrument**"). The Security Instrument, the Note and all other documents and instruments evidencing and/or securing the Note or now or hereafter executed by Borrower or others in connection with or related to the Loan including any assignments of leases and rents, other assignments, security agreements, financing statements, guarantys, indemnity agreements (including environmental indemnity agreements), letters of credit, or escrow/holdback arrangements, together with all amendments, modifications, substitutions or replacements thereof, are sometimes herein collectively referred to as the "**Loan Documents**".

C. Tenant has been requested to, and is willing to, enter into this agreement as part of the transaction for the loan from Lender to Borrower, which will be of benefit to Tenant by preserving and maintaining the financial standing of Borrower with regard to the Property and the Premises.

Agreement

In consideration of the mutual covenants and agreements herein contained, Lender and Tenant hereby agree and covenant as follows:

1. Warranties and Representations. Tenant represents and warrants to Lender that (a) the Lease is in full force and effect, (b) Tenant is not in default thereunder, past any permitted grace or cure period in the Lease, (c) Landlord is not in default thereunder, past any permitted

grace or cure period in the Lease, and (d) Tenant has not previously subordinated the Lease to any other Security Instrument or lien on the Property.

2. Subordination. Tenant hereby subordinates its interest in the Lease and all of its right, title and interest in and to the leasehold estate created thereby, to the liens, terms, covenants, provisions and conditions of the Security Instrument and the other Loan Documents. The interests subordinated hereby include without limitation any and all provisions of the Lease, including any extension or renewal rights, options to purchase, rights of first refusal, and other such rights.

3. Non-Disturbance. Notwithstanding the subordination agreement contained above, Lender agrees that, so long as (i) the Lease remains in full force and effect including the duration of any properly exercised extension or renewal provisions therein, (ii) Tenant remains in full compliance with the terms of the Lease, beyond any cure period provided therein, and (iii) Tenant is not in default under this Agreement, then:

(a) Lender shall not diminish or interfere with Tenant's possession of the Premises, and Tenant's rights and privileges under the Lease shall not be diminished or be the subject of any interference by Lender; and

(b) Lender will not join Tenant as a party defendant in any action or proceeding to foreclose the Security Instrument or to enforce any rights or remedies of Lender under the Security Instrument which would terminate or extinguish the Lease or Tenant's leasehold interest in and estate under the Lease.

Notwithstanding the foregoing provisions, Lender may name or join Tenant as a party in a foreclosure proceeding with respect to the Security Instrument if under the laws of the State where the Property is located it is procedurally necessary or desirable to do so, but in such event Lender shall in no way diminish or otherwise affect the rights and privileges granted to, or inuring to the benefit of, Tenant under this Agreement.

4. Attornment; Payment of Rent to Lender in Event of Default. Tenant agrees that, if Borrower commits an Event of Default under the Security Instrument or any other Loan Documents, and after Lender gives notice to Tenant (in the manner hereinafter provided) respecting such default, then Tenant shall be deemed to have attorned to Lender as its new landlord under the Lease, and Tenant shall thereafter pay directly to Lender all rentals and all other payments to be made by Tenant under the Lease. Such payments will be made regardless of any right or setoff, counterclaim or other defense which Tenant may have against Landlord, whether as tenant under the Lease or otherwise. No proof of default shall be required. Tenant is hereby irrevocably authorized by Borrower to rely upon and comply with any notice or demand by the Lender for the payment to the Lender of any rental or other amounts which may be or become due under the Lease, or for the performance of any obligations under the Lease. Borrower irrevocably agrees that Tenant shall not be liable to Borrower or any person claiming under Borrower, for making any payment or rendering any performance to Lender. Tenant shall have no obligation or right to inquire whether any default has actually occurred or is then existing. By its execution of this Assignment, Borrower irrevocably makes and delivers the above instructions.

5. Attornment to Subsequent Owners.

(a) If Lender or its nominee or designee succeeds to the rights of Landlord under the Lease through possession or foreclosure action, delivery of a deed in lieu of foreclosure or otherwise, or if another person or entity purchases the Property upon or following designee, or such purchaser (hereinafter collectively the "**New Landlord**"), Tenant shall attorn to and recognize the New Landlord as Tenant's landlord under the Lease and shall promptly execute and deliver any instrument that the New Landlord may reasonably request to evidence such attornment. Upon such attornment, the Lease shall continue in full force and effect as a direct lease between the New Landlord and Tenant upon all terms, conditions, and covenants as are set forth in the Lease.

(b) Notwithstanding the foregoing subsection, in such event the New Landlord shall not in any event be liable for any of the following:

(i) any previous act or omission of Landlord or any prior landlord under the Lease occurring prior to Lender obtaining possession or title to the Property;

(ii) any setoff, defense or counterclaim which has previously accrued to Tenant against Landlord, which arises prior to the date Lender obtains possession or title to the property;

(iii) the performance or observance of any amendment or modification to the Lease made without the written consent of Lender;

(iv) any prepayment of rent or additional rent for more than one (1) month which Tenant might have paid to Landlord, unless previously approved in writing by Lender; or

(v) the return of any security deposit made under the Lease, unless the security deposit has been paid to Lender.

6. Lease Modifications. Tenant agrees that, without the prior written consent of Lender, Tenant shall not: (a) amend, modify, terminate or cancel the Lease or any extensions or renewals thereof; (b) make any prepayments of any rent or additional rent in excess of one (1) month; or (c) subordinate or permit the subordination of the Lease to any lien subordinate to the Security Instrument.

7. Notice of Default; Opportunity to Cure. Tenant agrees that prior to exercising any of its rights and remedies under the Lease in the event of any default by Landlord thereunder, including any rights of termination, offset, defense or self-help provisions contained in the Lease, Tenant shall give written notice to Lender of the occurrence of default by Landlord and Landlord's failure to cure such default pursuant to the terms of the Lease, specifying, with reasonable clarity, the events constituting such default. In the event of a monetary default, Tenant shall give Lender ten (10) calendar days after the date of receipt of such notice to cure such monetary default. In the event of a non-monetary default, such thirty (30) day period to be

extended for a time reasonably necessary for the completion of the cure of a non-monetary default, if the Lender is proceeding diligently to cure such default.

8. Notices. Any notice required or permitted to be given hereunder must be in writing and given (a) by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; (b) by delivering the same in person to such party; (c) by transmitting a facsimile copy to the correct facsimile phone number of the intended recipient; or (d) by depositing the same into the custody of a nationally recognized overnight delivery service addressed to the party to be notified. In the event of mailing, notices shall be deemed effective three (3) days after posting; in the event of overnight delivery, notices shall be deemed effective on the next business day following deposit with the delivery service; in the event of personal service or facsimile transmissions, notices shall be deemed effective when delivered. For purposes of notice, the addresses of the parties shall be as follows:

If to Lender, to:	KeyBank Real Estate Capital 911 Main Street Suite #1500 Kansas City, Missouri 64105 (816)221-8848 (facsimile)
With a copy to:	Daniel Flanigan, Esq. Polsinelli, White, Vardeman & Shalton 700 W. 47 th Street Suite 1000 Kansas City, Missouri 64112 (816)753-1536 (facsimile)
If to Borrower, to:	5757 Wilshire, LLC 5757 Wilshire Boulevard, Suite PH30 Los Angeles, California 90036 (323)857-0316 (facsimile)
If to Tenant, to:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012
With a copy to:	Chief Executive Office Real Estate Division 222 South Hill Street, 3 rd Floor Los Angeles, California 90012 Attention: Director of Real Estate (213)217-4971 (facsimile)

From time to time either party may designate another or additional addresses for all purposes of this Security Instrument by giving the other party no less than ten (10) days' advance notice of such change of address in accordance with the notice provisions hereof.

9. **Notice Under Lease.** If the Lease entitles Tenant to notice of the existence of any Security Instrument and the identity of any lender, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and this Lender.

10. **Limitation of Liability.** Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be a party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise, unless specifically set forth herein.

11. **Miscellaneous.** This Agreement may not be modified or terminated orally. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, representatives, successors and assigns. The term "**Lender**" shall mean the holder of any interest in the Security Instrument, from time to time. The term "**Landlord**" shall mean the holder of the lessor's interest in the Lease, from time to time. The term "**person**" shall mean any individual, joint venture, corporation, partnership, trust, unincorporated association or other entity. Any inconsistency between the Lease and the provisions of this Agreement shall be resolved in favor of this Agreement.

12. **Waivers.** BORROWER, TENANT AND LENDER EACH HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, THE SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, TENANT AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER, TENANT AND LENDER EACH ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY EACH OTHER.

13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination, Non-Disturbance and Attornment Agreement to be effective as the day and year first stated above.

Tenant: County of Los Angeles,
a body politic and corporate

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Borrower:

5757 Wilshire LLC,
a Delaware limited liability company

By: _____
Jerome H. Snyder, President

By: _____
W. K. Glikbarg, Vice President

Lender:

KeyBank Real Estate Capital

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 200____, before me, appeared _____ to me personally known, who being by me duly sworn, did say that s/he is the _____ [president] [vice president] [general partner] [manager] [managing member] of _____, a _____ [corporation] [general] [limited] [partnership] [limited liability company] [, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation] and that the said instrument was signed [and sealed] on behalf of said _____ [corporation] [general] [limited] [partnership] [limited liability company] by authority of its [board of directors][members], and said _____, [acting as the general partner of said partnership] acknowledged said instrument to be the free act and deed of said _____ [corporation] [general] [limited] [partnership] [limited liability company].

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year last above written.

Notary Public in and for
said County and State

Print Notary's Name: _____

My Commission Expires:

STATE OF _____)
COUNTY OF _____) ss

On this ____ day of _____, 200____, before me, appeared _____ to me personally known, who being by me duly sworn, did say that s/he is the _____ [president] [vice president] [general partner] [manager] [managing member] of _____, a _____ [corporation] [general] [limited] [partnership] [limited liability company] [, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation] and that the said instrument was signed [and sealed] on behalf of said _____ [corporation] [general] [limited] [partnership] [limited liability company] by authority of its [board of directors][members], and said _____, [acting as the general partner of said partnership] acknowledged said instrument to be the free act and deed of said _____ [corporation] [general] [limited] [partnership] [limited liability company].

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year last above written.

Notary Public in and for
said County and State

Print Notary's Name:

My Commission Expires:

DOCUMENT II
TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

Attn: _____

Re: Date of Certificate: _____

Lease Dated: _____

Current Landlord: _____

Located at: _____

Premises: _____

Commencement Date of Term: _____

Expiration Date: _____

Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

(d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

(e) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

(f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease

except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____
William L. Dawson
Acting Director of Real Estate

APPROVED AS TO FORM
Raymond G. Fortner, Jr.
County Counsel

By: _____
Deputy: Amy M. Caves

DOCUMENT III

COMMUNITY BUSINESS ENTERPRISES FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM: NAME

ADDRESS

CONTACT

TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: _____

	OWNERS/PARTNERS ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: _____
(Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: _____

PERCENTAGE OF OWNERSHIP

Black/African American _____
Hispanic/Latin American _____
Asian American _____
Portuguese American _____
American Indian/ _____
Alaskan Native _____
All Others _____
Women _____
(Should be included in counts
above and also reported
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS
FIRM BY THE:

State of California?	Yes	No
City of Los Angeles?	Yes	No
Federal Government?	Yes	No

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS
FORM.

Firm Name:

Signed:

Date:

Title:

DOCUMENT IV

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between _____ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 20____, and ending on a date _____ () years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated _____, 200__.

[Tenant has the option to extend the term of the Lease for a period of ____ () years, subject to the terms and conditions of the Lease.]

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

RELEASE OF MEMORANDUM OF LEASE

This Release of Memorandum of Lease ("Release") is made and entered into by and between _____ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant entered a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 20____, and ending on a date _____ () years after the commencement date, pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated _____, 200__.

Landlord and Tenant executed a Memorandum of Lease (the "Memorandum") to give record notice of the terms of the Lease, which Memorandum was recorded in the Official Records of the Los Angeles County Recorder's Office as Instrument No. _____. This Release has been prepared for the purpose of giving notice of release of the Memorandum and the termination of the Lease and of its terms, covenants, and conditions, and for no other purposes.

Dated: _____, 20____.

LANDLORD:

TENANT:

By: _____
Its: _____

By: _____
Its: _____

DOCUMENT V

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